



# CITY OF CONCORD

## NEW HAMPSHIRE

City Hall - 41 Green Street - Concord, NH 03301 - tel. (603) 225-8510 - fax (603) 228-2701

### COMMUNITY DEVELOPMENT ADVISORY COMMITTEE MINUTES

February 24, 2010

The meeting was convened at 12:15 P.M. in the Second Floor Conference Room, City Hall, 41 Green Street, Concord, NH 03301.

Present: Jeff Bart, Allen Bennett, Mark Coen, Michael Gfroerer, Amanda Grady, and Todd Haywood

Absent: Elizabeth Blanchard, Nadine Salley, and Janet Sprague

Staff: Matt Walsh, Assistant for Special Projects  
Joia Hughes, Consultant  
Bev Rafferty, Administrative Assistant

Before beginning the agenda, Chairperson Bart asked those present to introduce themselves as Amanda Grady, the new City Council member, was attending her first CDAC meeting today. Everyone welcomed Amanda to the committee.

1. Minutes of December 2, 2009 meeting

Allen Bennett made a motion to accept the minutes as written; seconded by Mark Coen; motion passed unanimously.

2. Second Start Grant:

At this time Chairperson Bart asked Joia Hughes to provide some background information about the Community Development Block Grant (CDBG) and Revolving Loan Fund (RLF) programs to help Ms. Grady become more familiar with CDAC's duties and responsibilities.

Joia Hughes explained that nearly every municipality in New Hampshire is eligible to apply for federal funds up to \$500,000 a year from the NH Community Development Finance Authority (CDFA) Community Development Block Grant program. She noted that Matt Walsh serves on the CDFA Advisory Committee. There are two application rounds: one in January and one in July. Applications are scored on several items, i.e. benefit to low/mod income individuals, matching funds, etc.

This year the city of Concord applied in January on behalf of the Concord Area Trust for Community Housing (CATCH) to assist them in building a 45 unit artist rental housing complex on Storrs Street (behind Steve Duprey's new building on South Main Street). The City will be notified in April whether the city will be awarded this \$450,000 grant and, if so, the city will still be eligible to apply for a grant up to \$50,000 in July. Friends of Forgotten Children have submitted a proposal for those funds. If the CATCH grant is not awarded, then the city will, most likely, reapply for those funds in July as well. Ms. Hughes noted the grant application for CATCH is a strong competitor.

Chairperson Bart noted that Joia Hughes, Matt Walsh, and Bev Rafferty manage the grants but CDAC reviews and recommends the submittals; final submittal approval is done by the City Council. The grants also provide some administrative support for the work staff does.

Amanda Grady inquired if a CDAC member sits on the board of an organization that is applying for grant funds, does that member vote on the recommendation? It was explained that any member of CDAC with a conflict would have to recuse themselves from considering any loan or grant application.

Chairperson Bart discussed the CDBG application vetting process and explained that a grant applicant comes before CDAC to make their project presentation, staff provides a "mock" scoring of the potential application, and if the project does not score well, it is usually not submitted and if it does not score well at CDFA, it will not be awarded.

Ms. Grady inquired how long the city has to spend the grant money and Ms. Hughes indicated two years but grant extensions have been approved in the past. Chairperson Bart noted that in the grant program, should the client not retain their facility for a certain period of time, they must repay a prorated share of the grant funds to the city. These funds are then appropriated to the CDAC Emergency Grant Fund.

Chairperson Bart noted CDBG is a big piece of what CDAC does and then there is the Revolving Loan Fund.

Joia Hughes gave a brief history of how the RLF was established. She noted we do not know how much was received to start the fund but it is now over \$1M loaned out. Matt Walsh noted that the City's Revolving Loan Program is geared for individuals whom typically cannot get a traditional loan from a private lender. The loan program does not do anything aesthetic; the funds are to be used for energy efficiency improvements, day care, home improvements for windows, roofs, furnaces, etc. The funds may also be used as a bridge loan for economic development purposes and the funds must benefit low/mod income people in Concord.

It was further explained that the economic development piece has a number of jobs that must be created or retained with the improvements done with loan funds. The guidelines change over time and ultimately CDAC can vary the terms on a case-by-case basis if need be. Chairperson Bart noted that each month CDAC members receive an updated report on the outstanding loans. Joia Hughes noted that the loan terms vary as we try to work with the client to give them a payment with which they are comfortable in making. Ms. Hughes also noted that there has not been much outreach of late but we will get some brochures printed and distributed to plumbing and heating contractors and other facilities (i.e. banks) so when customers come in, this might be a resource for them. Bev Rafferty will print off a supply of brochures for Ms. Hughes.

Ms. Hughes continued that the Community Action Program (CAP) will refer clients to us if the clients are not eligible for assistance through their office. The City's income levels are different from CAP's so they may qualify through the RLF program.

With the history and background explanation completed, Joia Hughes went on to advise CDAC on the status of the Second Start grant.

**SECOND START:** Second Start has gone out to bid for windows and insulation. Twenty-three companies attended the mandatory walk through and nine bids were received. Interviews were held Friday and the award should be made some time this week. Ms. Hughes continued that some contractors bid on all the items while others bid separately for windows or insulation. She thinks there will be two separate awards - one for windows and one for insulation. The bids came in very low so now the question is what should Second Start do with surplus funds. Second Start also has tax credits they have not yet sold so a recommendation to put in thermal blinds was noted in the Jordan report and that may be another item in the project.

This project is on the old Garrison School and the old fire station on North State Street. They hope to get the project started during April vacation.

3. CATCH and Friends of Forgotten Children 2010 CDBG Grant Applications

Joia Hughes informed CDAC that the CATCH application was delivered at the end of January. Site visits will be planned in March and CDFA staff will probably just look at the site as there is nothing there at this time and then meet with her and Matt Walsh to go over any questions on the project. She believes one of the questions will probably pertain to the other funding sources. CDFA will ask about timing and processing and they will show readiness. A decision on the application is expected in April.

As for Friends of Forgotten Children, the city did not apply on their behalf in January as it was felt they would have better matching funds for the July round. A 1 to 1 match is good but if they can do more, it would be a better application.

Bev Rafferty noted that it is time to send out the request for proposals letter to organizations (day cares, etc.) about the possible July round of funding and pending the CDFA's decision on the CATCH grant, she noted that the City would still be eligible for as much as \$50,000 in CDBG funds for the July round. If CATCH is not awarded, the city could apply for the entire \$500,000 and the city would, most likely, apply again on CATCH's behalf for those funds.

CDAC discussed this and it was noted that if Friends of Forgotten Children did not come through with their matching funds or if CATCH is not awarded, we do not want the opportunity to pass by for the \$500,000 grant funds. Therefore, it was decided that a letter will be prepared noting the possibility of up to \$50,000, if not more, might be available come July and the letter will be sent to see if any proposals come forth.

4. Revolving Loan Fund

- **Parrott loan request:** Joia Hughes explained that this client had been referred to the City from the Community Action Program as Ms. Parrott did not qualify for assistance through CAP. New income limits are due out February 28<sup>th</sup> and they may go up. Ms. Hughes noted that the client did not have much credit; just a mortgage and an auto loan.

Ms. Hughes gave a background of the home and noted that the client is a single mom raising two autistic sons. Because the client receives SSI funds for the children, that put her over the limit for CAP assistance. Ms. Hughes explained the home life of this family; heating with wood as oil is too expensive, there was a lead problem that the home owner encapsulated, the foundation of the home is failing and small stone work is falling away from the home and the roof is separating and water is coming in. The homeowner would like new siding as the current siding is asbestos and the windows are in disrepair.

The problem is the owner has an adjustable rate mortgage that will re-set in June so Ms. Hughes feels she should consider refinancing and that refinancing should be decided before any work is put into the house.

The estimate for now is \$40,000 - \$60,000 and we can only approve up to \$18,000 per living unit but CDAC can increase it if they wish. At this time Ms. Hughes is recommending \$21,737 for the windows and foundation repair only. Ms. Hughes also noted that the porch on the front is pulling away from the house. The client purchased the home three years ago. There was discussion on assessment value, taxes, etc. and it was noted there is no equity in the home.

Ms. Hughes noted that if the client receives a reduction in the interest rate at time of adjustment in June, that would help her so much to just free up some money. Ms. Hughes did note, however, that the client is quite capable of paying back the loan, if awarded, and she noted that the client is a very responsible person. This is the first home the client has owned.

There are 14 windows to be replaced and Ms. Parrott has received two quotes thus far. She is waiting for a third quote from Craigue & Sons. Members of CDAC inquired if the refinancing should be done before they vote on the loan but Ms. Hughes, again, noted that Ms. Parrott is quite capable of repaying the loan at this time. Ms. Hughes also noted that the property has a mole issue - the ground is very soft because of the mole tunnels.

There was considerable discussion regarding the loan, the refinancing, what the interest rate may do come June when the client's adjustable rate is determined, etc. Some members felt we could subtly suggest the refinancing and give the client some funding sources but Chairperson Bart did not feel that was CDAC's responsibility.

Mark Coen made a motion to approve the loan of \$21,737 for 15 years (180 months) @ 3% interest - making the applicant's payment \$150.11/month. The motion was seconded by Michael Gfroerer; motion passed unanimously. Joia Hughes will try and set up something for the client to meet with George Helwig of CATCH to see if he can help her with her finances.

- **Possible amendment to Program Income Reuse Plan (PIRP):** Joia Hughes and Matt Walsh informed CDAC that there had never been a pre-payment penalty in the PIRP, however, recently a client underwent refinancing before making her first month's payment to the city and was going to repay the city in full with the refinancing. The client had received a loan which was promptly processed because her furnace was not at all usable and then staff was

notified that refinancing was being done and the new financial institution inquired as to what would be the balance the client owed the city. This refinancing never came through, however, so the client is making monthly payments to the city and is currently paid to date on her loan.

Chairperson Bart inquired whether the City should charge a fee to recoup its administrative costs for each loan application. Bev Rafferty gave a history of this issue and explained that in the past CDAC had been reluctant to institute such a policy as such fees would further burden the RLF's low / moderate income clientele.

Ms. Hughes noted these fees could be added but CDAC could waive them on a case-by-case basis. After additional discussion, it was the consensus of CDAC to not amend the PIRP in order to collect administration fees or closing costs for loans at this time.

Chairperson Bart did inquire as to when CDAC would be approached for RLF funds for the budget (FY 2011) and Matt Walsh noted he will probably bring that item to the CDAC at the March meeting.

- **Loan limit where collateral will not be required:** Joia Hughes spoke briefly on this item. She noted the economic development loans were usually done for fit-ups and the city has no way of putting a lien on the property. The Small Business Administration lenders offer \$2,500 or less with no collateral. Ms. Hughes would like to do more research on this and will report back to CDAC at the March meeting. She did note this would just affect the economic development component of the PIRP.
- **Racquet Club of Concord:** Bev Rafferty gave an explanation as to why this item was on the agenda. She informed CDAC that staff is looking for some direction as to what it would like staff to do to try and bring this account current. She noted her conversations with Mr. Nelson, owner of the Racquet Club. Mr. Nelson is exploring turning the Club into a non-profit; he has inquired if being a non-profit would benefit him should he apply for another loan; his property taxes are in arrears, and the Club is approximately seven months in arrears on its loan. She did note that Mr. Nelson had dropped off a check that morning in the amount of \$500 to put toward the loan arrearage and she continued that Mr. Nelson had informed her that his daughter is now managing his books. Should staff have the City Solicitor write Mr. Nelson a letter?

Matt Walsh gave some various scenarios: if Mr. Nelson does not pay his taxes, the city will take the property in three years; if Citizens Bank (holder of the mortgage) forecloses, they will pay the city back taxes. CDAC suggested staff contact Mr. Nelson's daughter, Debbie, as it was felt she would know what to do, and report back to them in March.

- Chairperson Bart inquired if there were any upcoming requests for funds from the RLF. Matt Walsh had indicated an application for a bridge loan might be forthcoming from CATCH relative to its project on Storrs Street. Matt Walsh noted that would be a short term loan if it came through at all.

- Joia Hughes noted the Community Action Program may be granting funds to a former day care provider on Lawrence Street. The homeowner has had a stroke and is incapacitated. A lot of work needs to be done in the home. Ms. Hughes noted that when the homeowner had approached the city years ago for assistance with the day care, there was a mold issue as well as numerous other things that needed to be corrected. An emergency grant request may be forthcoming and Bev Rafferty noted the current balance in that account.

5. Other Business

There was no other business brought before the committee.

6. Adjournment

There being no other business brought before CDAC, and upon a motion duly made and seconded, with unanimous approval, the meeting adjourned at 1:30 P.M.

Respectfully Submitted,

Beverly A. Rafferty  
Administrative Assistant